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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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HARVEST TIME

The harvest is on once more. Wagonloads of cotton lined up at the gins; threshing wheat in Dakota and rice in Louisiana; digging potatoes in Maine; picking apples in Oregon; drying rasins and prunes in California; cattle working down out of the high ranges of the Rockies; long trains of sheep rolling eastward; corn harvest beginning in the Mississippi Valley.

It is by all odds the finest harvest in five years - not the greatest in physical volume of products, but the best balanced and representing the best income. There is no single case of serious scarcity among the major products; neither is there any serious over-production.

The Cotton Belt and the Wheat Belt, two regions that were plunged into a nightmare of depression in 1921, will come back with this harvest - the South to fair prosperity and the wheat country to at least a more tolerable state of things.

Corn is the one important crop of which shortage appears likely, but corn is a feed crop and will be substituted for in one way and another. There is every likelihood that the proportion of soft, immature corn will be large. How best to dispose of this soft corn looms as one of the Corn Belt's outstanding problems.

The Far West is just now quite interested in the effect of this corn situation on the demand for feeder stock. The range cattle situation, on its part, continues to be an enigma: Liquidation is still going on and cattle men are in sore straits. Notwithstanding heavy selling of breeding stock, considerable idle range and other evidences of fewer cattle, prices are certainly slow to respond. The estimates are that there will be around 500,000 fewer cattle marketed out of the range territory this fall than last, though about 775,000 more sheep.

Apart from the cattle depression, however, most other basic agricultural enterprises have moved into materially improved position. The general index of purchasing power of farm products has moved up to 90, the year 1913 being considered as 100. The up-swing of the last five months is the best sustained period of improvement since the war-time boom in the spring of 1917. Agriculture is working back toward a more reasonable balance with urban industry - fruit at last of infinite labor, privation, shifted population, and last but not least, the weather. This is a harvest of deferred dividends.

KEY REGIONS AT A GLANCE

THE EAST - Just getting well into the late harvest; corn, potatoes, apples, etc. Splendid feed crops except in a few areas where it has been too dry. Cash crops also fairly good and represent larger income than last year. Dairymen and poultrymen hit by rising prices of grain. General situation fair.

THE SOUTH - Reacting sensitively to current changes in the cotton situation. Cotton harvest and ginning well along. Been considerably hampered by rains in the east and cold weather in the west. Crop estimates have generally been scaled down toward $12\frac{1}{2}$ million bales but expectation is for a $1\frac{1}{2}$ billion dollar crop or better. This means prosperity for the South.

CORN BELT - Been working with one eye on the thermometer. General expectation that a heavy percentage of corn will be caught by frost. Trying to devise ways and means of using up soft corn; feeder demand developing for cows. Plenty of feed other than corn. Hogs evidently headed toward reduction in supply.

WHEAT BELT - Threshing well along in north. Bulk of winter wheat has been sown during last two weeks and new seeding is up to good stands in Kansas and southward. Wheat Belt in greatly improved position, especially spring wheat territory - which means that conditions are no longer intolerable.

RANGE COUNTRY - Roughly speaking, conditions are good east of Continental Divide with ample feed and stock in good shape. West of same drought has cut feed supply and stock will move out in heavier numbers than last year. Stock now moving down to winter ranges and shipment of sheep and cattle is well under way. More sheep and fewer cattle likely to be marketed than last year.

PACIFIC COAST - Fruit and grain harvest well along. Latter turned out rather better than expected but fruit has suffered somewhat from drought. Feed short; alfalfa high priced. Means disposal of some livestock. Winter wheat seeding in progress in north though delayed by dry weather. Coast generally in just fair shape.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

<u>Crop</u>	<u>1913 Production</u>	<u>1918-1922 Average</u>	<u>1923 Production</u>	<u>1924 Aug. Estimate</u>	<u>1924 Sept. Estimate</u>
Wheat, bu.					
Winter	523	625	572	589	589
Spring	240	256	213	225	247
All	763	881	786	814	837
Corn, bu.	2,447	2,899	3,046	2,576	2,513
Oats, bu.	1,122	1,303	1,300	1,439	1,486
Barley, bu.	178	186	198	184	194
Rye, bu.	41	78	63	66	66
Cotton, bales	14.1	10.9	10.1	12.95	12.6
Potatoes, bu.	332	391	412	399	413
Hay, all, tons	64	86	89	89	89
Apples, bu.	145	167	197	184	179
Peaches, bu.	40	44	46	52	52
Flax, bu.	18	10	17	28	29
Tobacco, lbs	954	1,361	1,491	1,202	1,195

General conditions during September pointed to somewhat more wheat, oats, barley, flax, and potatoes and slightly less cotton, apples, and tobacco than indicated by earlier forecasts.

Compared with last year, this season's corn crop is estimated as 17.5 per cent less, wheat 6.1 per cent more, tobacco 20 per cent less, flaxseed 66.7 per cent more, cotton about 25 per cent more, apples 9.1 per cent less, potatoes the same as last year.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending September 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	Aug. <u>1913</u>	Aug. <u>1923</u>	July <u>1924</u>	Aug. <u>1924</u>
Cotton, per lb.	¢ 11.6	23.8	27.3	27.8
Corn, per bu.	¢ 70.4	87.0	98.3	107.4
Wheat, per bu.	¢ 77.1	86.4	105.8	116.8
Hay, per ton	\$ 10.74	11.98	13.49	12.95
Potatoes, per bu.	¢ 72.2	120.8	109.0	111.3
Oats, per bu.	¢ 38.4	37.6	49.4	49.1
Apples, per bu.	¢ 75.2	121.4	141.3	121.6
Beef cattle, per 100 lbs.	\$ 5.91	5.60	5.65	5.67
Hogs, per 100 lbs.	\$ 7.79	6.85	6.60	8.54
Eggs, per dozen	¢ 17.7	23.6	23.1	26.1
Butter, per lb.	¢ 25.4	38.0	37.0	37.7
Wool, per lb.	¢ 15.8	37.0	34.3	33.5
Veal calves, per 100 lbs.	\$ 7.53	8.00	7.88	7.94
Lambs, per 100 lbs.	\$ 5.50	9.96	10.50	10.15

The outstanding development of the month was the rise in prices of wheat, corn and hogs. Eggs began a seasonal rise.

Of the major crops, all except hay are now above or close enough to the general price level to probably maintain production. Among the major livestock products only wool and possibly butter fall in that class.

If prices of cotton, corn, wool and lambs continue through winter at or near present levels the tendency will be to stimulate production of those things next year. Prices of beef cattle, hogs, and hay are so low as to discourage production thereof. Beef cattle are now the relatively lowest priced product in the major group.

PRICE INDEXES FOR MONTH ENDING September 1, 1924.
1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>Aug.</u> <u>1923</u>	<u>July</u> <u>1924</u>	<u>Aug.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Cotton	192	220	224	Higher
Corn	147	165	181	Higher
Wheat	110	135	149	Higher
Hay	109	123	118	Lower
Potatoes	188	170	173	Higher
Beef cattle	95	96	96	Same
Hogs	91	88	114	Higher
Eggs	122	120	135	Higher
Butter	141	137	140	Higher
Wool	222	205	200	Lower

Commodity Groups

(Wholesale Prices)

	<u>Aug.</u> <u>1923</u>	<u>July</u> <u>1924</u>	<u>Aug.</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Farm products	139	141	145	Higher
Food, etc.	142	138	144	Higher
Cloths & clothing	193	187	190	Higher
Fuel & lighting	178	173	170	Lower
Metal & met. products	145	130	130	Same
Bldg. materials	186	169	169	Same
Chemicals, etc.	127	126	130	Higher
House-furnishing goods	183	171	171	Same
<u>ALL COMMODITIES</u>	<u>150</u>	<u>147</u>	<u>150</u>	<u>HIGHER</u>

RELATIVE PURCHASING POWER

(At August 1924 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	149	121	99	79	115
Cloths, etc.	118	95	78	62	91
Fuel, etc.	132	106	88	69	102
Metals, etc.	172	139	115	91	133
Bldg. Materials	133	107	88	70	102
House-furnishing goods	131	106	87	69	101

	<u>Beef Cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	64	76	90	93	133
Cloths, etc.	50	60	71	74	105
Fuel, etc.	56	67	79	82	118
Metals, etc.	74	88	104	108	154
Bldg. materials	57	67	80	83	118
House-Furnishing goods	56	67	79	82	117

The month of August witnessed a very significant improvement in the exchange value of corn and hogs, and in lesser degree wheat. Wheat now has just about the same exchange value as in 1913. Cotton, wool, corn and potatoes all stand at greater advantage; while butter, eggs, hay, hogs, and beef cattle, in the order named, are under the handicap of relatively low exchange value.

The general index of purchasing power of farm products advanced to 90 in August from 83 the previous month, (considering the year 1913 as 100) The rise in indicated purchasing power, which has covered 16 points in the last five months, is the best sustained period of improvement since the war-time advance in the spring of 1917.

COLD STORAGE SITUATION

September 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Sept. 1, 1924.</u>
Creamery butter, lbs.	111	103	134	156
American cheese, lbs.	60	64	66	76
Case eggs, cases	8	10	9	9
Total poultry, lbs.	27	34	34	34
Total beef, lbs.	90	46	50	49
Total pork, lbs.	715	754	811	710
Lard, lbs.	129	116	150	125
Lamb & Mutton, lbs.	6	1.7	2.2	2.2
Total meats, lbs.	882	868	930	826

Butter continued to move into storage during August, stocks last month had reached a point nearly 50 per cent larger than last year or average. Stocks of cheese, likewise of beef, increased also. Stocks of pork and lard declined.

Compared with the average situation this date, stocks are very low in case of beef and lamb; about average in case of eggs, poultry, pork, and lard; high in case of cheese and butter.

The general storage situation reflects the return of more normal balance between production and demand. It still tends to strengthen the position of lamb and beef producers, while the opposite is true of dairy products. Butter stocks, in particular, have come to represent an exceedingly heavy forward supply.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages</u>	<u>Retail Price of Food</u>	<u>Wholesale Price of Food</u>	<u>Wholesale Price All Commodities</u>
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	155	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154
<u>1923</u>					
January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151
<u>1924</u>					
January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	159	142	136	145
July	217	159	143	139	147
August	220	---	144	144	150

GENERAL TREND OF PRICES

1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	106	94	112
1915	110	95	102	97	106
1916	124	111	118	132	89
1917	208	164	186	176	106
1918	224	192	208	186	112
1919	234	198	216	195	111
1920	238	168	203	234	86
1921	109	107	108	161	67
1922	113	111	112	163	69
1923	136	103	120	167	72

1923

January	126	106	116	170	68
February	130	107	118	172	69
March	134	106	120	175	69
April	139	107	123	176	70
May	140	105	123	172	71
June	139	100	120	168	71
July	136	102	119	165	72
August	136	102	119	163	73
September	138	109	123	164	75
October	139	103	121	161	75
November	137	97	117	160	73
December	137	94	116	158	73

1924

January	140	97	119	160	74
February	141	98	120	162	74
March	138	100	119	161	74
April	140	102	121	159	76
May	139	103	121	157	77
June	142	102	122	155	79
July	155	101	128	154	83
August	163	114	139	154	90

* Department of Labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agrl. commodities.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,670
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624

August receipts of wheat reflected the entire wheat situation: good crop, higher prices, need for funds on the part of farmers. Over a third more wheat came to market than the same month last year.

The decreased hog movement was in line with the normal condition, August and September being the months of low receipts ordinarily. The movement is still heavy, however, being influenced by the corn situation.

Increased movement of sheep is in line, not only with the market situation, but with the increased production and feed shortages in the Far West.

Butter receipts declined, though above same month last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
(1923 First 8 mos.)	105,664	293,254	531,428	702,545	611,501	2,203
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	39,183	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,418	59,219	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,601	32,520	53,769	86,788	60,406	212
" August	21,106	33,410	52,367	75,937	60,180	289
(1924 Eight months)	86,124	365,358	480,281	691,549	541,650	2,740

Wheat and cotton show seasonal increase in exports; pork products a slight falling off.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 Aug.	1924 July	1924 Aug.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	111	58	61	Increase
Bituminous coal (Millions tons)	49	32	35	Increase
Automobiles shipped (Thou. carloads)	38	27	30	Increase
CONSUMPTION				
Cotton by mills (Thou. bales)	492	347	357	Increase
Unfilled orders Steel Corp. (Thou. T.)	5,415	3,187	3,290	Increase
Building contracts (Millions dollars)	253	290	300	Increase
Hogs slaughtered (Thousands)	2,283	2,605	2,017	Decrease
Cattle "	1,168	1,141	1,092	Decrease
Sheep "	903	959	978	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	15	21	20	Decrease
Car loadings (Thousands)	4,112	3,527	3,823	Increase
Mail order sales (Millions dollars)	22	22	24	Increase
Men employed, N. Y. State Factories (Thou.)	546	470	471	Increase
Av. price 25 indus. stocks (Dollars)	103	114	119	Higher
Interest rate (60-90 day Paper)	5.10	3.53	3.25	Lower
Retail Food Price Index (Dept. Labor)	146	143	144	Higher
Wholesale Price Index (Dept. Labor)	150	147	150	Higher

Business is picking up somewhat. That is natural toward fall and whether the up-swing is a merely seasonal movement or whether it is the forerunner of broader developments remains to be seen. At all events, basic lines of industry begin to show a little more life. The financial situation continues favorable with low interest rates. The general price level is moving upward slightly due, however, to higher priced farm products.

Fears entertained last spring that possible industrial depression this fall might weaken the effective demand for agricultural products have proved groundless. The market situation is good for the major food products. The textile industry is reacting sensitively to the raw cotton situation but even there demand is sufficient to maintain fairly good prices.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

TEXAS - The drought of over three months was effectually broken on the 11th and rains subsequently have covered all but a few localities of the State. Pastures were revived and now give promise of ample winter grazing. Milk production is slowly responding to the freshened pasturage, while range stock is no longer falling off in flesh. Late cotton has been benefited to some extent. The premature opening of bolls has been checked and they can now mature normally with a consequent improvement in length and strength of staple as well as in quality of seed. Another cutting of hay has been made possible by the rains and the sowing of winter grains has been greatly encouraged.

With frost coming no earlier than usual the outlook for the winter will be good. Almost as much cotton as last year is in prospect, but the lower price will make the gross returns less than last year. Shipments of calves during the first half of 1924 greatly exceeded those of the corresponding period in 1923, but indications point towards a reduction during the remainder of the year. The condition of the cattle men is very little better than a year ago; however, the sheep and goat industry is on a sound basis. The fall clip is now in progress with both wool and mohair good in weight and price. The rice crop is turning out well and turkeys are beginning to move.

Labor is in demand in the cotton fields and in the building industries which show increased activities. Wholesalers report sales good and a larger percentage of bills discounted. The farmer is paying the merchants, the merchant the jobber and the jobber the bank. Machinery and automobile sales show a most satisfactory condition, while demand for lumber and cement is brisk. -- H. H. Schutz.

IOWA - Cattle feeders of Iowa have brought into the State 52 per cent less or 90,000 fewer steers during the past 4 months than in a similar season last year. Several factors have caused a mixed sentiment in the heavy finishing sections. The present outlook indicates a reduction of 25 to 50 per cent in the size of Iowa's fall and early winter feeding. There is a diffidence towards feeding on account of recent losses and the high price of corn. The feeder, on the other hand, faces the problem of large quantities of rough feed and soft corn to be consumed. It will not be surprising then to have a normal number in our Iowa feed lots finally. Regular feeders in central and western Iowa are not following the crowd but are thoughtfully weighing the present price of feeders against the probable market price of next February. They are trying to avoid the competition of a winter market flooded with half-fed cattle.

Corn made poor progress during 10 days previous to September 16th. On that date only 21 per cent had reached the dent stage and practically none was safe from frost.

Fall plowing and preparation for winter wheat seeding have made rapid progress except in the extreme northwest, where drought conditions have delayed plowing quite seriously. Potatoes show fair yield and good quality. Small grain threshing is about completed. A heavy yield of second crop clo-

ver is going into the stack but is discolored by general rains and deficient sunshine. -- Leslie M. Carl.

ILLINOIS - The agricultural outlook is little changed from a month ago. Weather conditions have continued unfavorably cool for fall plant growth. The farm outlook compared with a month ago is more favorable in that it is definitely established that the farm feed situation in much of the State will be abundant though the outlook for high grade merchantable corn is rather discouraging. In a general way the total value of farm crops and livestock will hold up to that of last year and with favorable fall conditions will be somewhat in excess of last year. A slight falling off in the total value of livestock has been offset by a corresponding increase in the value of total crops produced this season. Farm work is well advanced in the southern half of the State but rather backward in the northern half due to rain interruptions during the past month. Business reports show that farmers continue to buy sparingly and that efforts are being made by farmers to liquidate debts rather than the tendency towards new buying and farm improvements. Credit conditions are satisfactory.

Due to unusually cool weather, corn has made little progress this month. The outlook for much of the crop remains uncertain. In a general way the better corn is reported in the central, west central, southwestern and lower southern areas, with more of the late and less promising corn reported in lower central, eastern and northern areas. Returns from over the State indicate that 40 per cent of the crop will be safe from frost by September 20th and 60 per cent by October 1st. About 25 per cent of the crop is so late that it is expected to make not much better than silage or fodder even under favorable late fall conditions.

Small grain situation is practically the same as indicated on September 1st. Oat yields are large quite generally. Very favorable farm feed quality but somewhat off color due to frequent rains while in the shock. Barley yields favorable but quality varies. State winter wheat yield not up to average. Threshing 92 per cent completed.

Practically all hay varieties are large crops this season though quality was damaged to some extent on account of frequent rains. There has been more late haying than usual though it is now nearing completion. Young clover prospect is very promising. Soybeans and cowpeas poor to fair. Soybean seed prospect uncertain at this time. A larger portion of the crop than usual will be cut for hay. Timothy seed crop favorable but clover seed poorest for some years as season was too cool and wet for filling.

Size and coloring of tree fruits favorable but September weather only fair for final stage of development. Apples and pears about a half crop. Grapes are below average. Broomcorn varies from good to poor. Part of the crop unusually late with outcome dependent upon favorable late fall conditions. Cutting of some early fields is commencing.

Livestock condition reports continue favorable. Feeder cattle demand is showing rapid gains due to the corn situation though not quite as large to date as a year ago. The number of feeder sheep imported to date exceeds that of a year ago. Hog numbers in the State show a substantial decrease from last season. The dairy situation is little changed from last month with poultry and poultry products somewhat higher. Farm labor situation satisfactory. -- A. J. Surratt.

NEBRASKA - Corn prospects are less optimistic due to injury from drought and the probability of injury from frost. There are considerable barren stalks and small ears of corn. Estimates from grain dealers throughout the State indicate that 67 per cent of the crop will mature by October 1 and 92 per cent by October 15. Average frost dates in the corn regions range from October 1 to October 10.

The market movement of wheat has been heavy and about half of the crop moved prior to September 15. Good yields coupled with better prices made marked improvement in the financial situation in the Wheat Belt. Plowing for autumn wheat was delayed some by the dry soil condition, and very little seed-ing done before September 15.

The extent of the feeding operations is problematical due to the uncertain outcome of the corn crop and the high price of corn. Hay and other feed are generally plentiful. The Bureau of Animal Industry records of stocker and feeder shipments of livestock for July and August show considerably less cattle and more sheep sent to feeding sections than shipped for the same period a year ago. -- A. E. Anderson.

WISCONSIN - The crop season in Wisconsin will be remembered as fretful and hazardous but nevertheless bountiful. Frequent rains, cool temperatures, little haying weather, lodged grain, late harvesting, and adverse threshing conditions - all were factors that made the season hazardous, while big crops of hay and good grain yields were in sight.

Above average yields of potatoes are practically assured. Tobacco returns to growers will vary greatly as the crop is very uneven, but for the most part low in yields.

Most corn is still in the milk stage at this time (September 20) with only an unusual season making ripe corn possible. With such an unusual season, however, many fields will make extremely heavy yields as it is very rare that fields carry such a big per cent of good sized ears.

Farmers are realizing about 20 per cent less than last year in milk prices. The August average milk price was \$1.61 per hundred compared to \$2.00 last year. There is not this difference in actual income from the dairy however, since excellent pastures have kept up a better than usual milk flow.

-- Paul O. Nyhus.

KENTUCKY - Prolonged drought in most parts of State, broken by general rains the 19th and 20th. Corn at best will be a short crop but varies from failure to excellent conditions, averaging only fair. Much of it is late and will need two or three weeks to mature safely. All crops improved by late rains but much damage already done. Tobacco cutting well advanced in all districts; plant small but good weight for size, due to drought; curing nicely; much fired by drought or cut immature. Crop extremely irregular. Late potatoes helped much by rains but already hurt some. Crop latest and therefore helped most in big commercial section around Louisville. Drought damage worst in mid-southern counties where much of corn is failure and in mid-northern counties where hill crops suffered. Pastures short in all districts; will be greatly helped by these rains and cool weather. Labor ample; actual surplus in many districts but farmers hiring little as possible. Farmers particularly discouraged over tobacco prospects. -- H. F. Bryant.

THE DAIRY SITUATION

(Thousands pounds, i. e., 000 omitted)

Stocks - September .

Year	In cold storage		In Manufacturers's hands	
	Butter	Cheese (All types)	Cond. & Evap. Milk	Milk Powder
1924	156,232	95,425	241,709	14,317
1923	102,731	80,663	227,826	6,457
Increase	53,501 52.07%	14,762 18.30%	13,883 6.09%	7,860 121.73%

Receipts January 1 - August 31.

	Butter 4 Markets	American Cheese Wisconsin Market
1924	418,724	193,436
1923	381,660	179,423
Increase	37,064 8.7%	14,013 7.8%

Increase over 1923, January 1 to August 31

	Cry. butter	All cheese
Increase net imports	7,056	14,722
Production increase	86,196	20,631
Gross increase	93,252	35,53
Storage increase	53,501	14,013
	39,751	21,340
Farm butter decrease	6,666	- - -
Consumption increase (8 months)	33,085	21,340
Increase per month	4,135	2,667

Increased dairy production this year can be somewhat measured by receipts on the wholesale markets. During the month of August the receipts of butter at our four principal markets exceeded those of August, 1923, by some 10 million pounds, or approximately 20 per cent. The September increase will not reach as high a figure, although with market receipts as a basis the conclusion is that butter production for the first three-fourths of the year will show an increase over 1923 of about 8 per cent.

The outstanding feature in connection with the statistical position of butter markets is the enormous storage surplus. September 1 holdings of 156,232,000 pounds exceeded those of September 1, 1923, by 53,501,000 pounds and were approximately 25,000,000 pounds heavier than the September 1, 1919, holdings, the previous highest record since storage reports became available. Assuming that storage stocks of butter will be reduced to somewhere near a normal or at least an average amount by the close of the storage season on May 1, the task remains of moving 26,000,000 pounds more of storage butter than have ever been moved in a similar period. Naturally there is a desire on the part of owners of storage butter to move holdings at every opportunity, but so far the price situation has prevented such a development unless losses were incurred because since the heavy movements into storage occurred prices have been lower than original cost prices. The situation is not without some promise, however, for not only have imports of any consequence ceased, but a slight amount of export business has actually developed.

Increased consumption stimulated by the lower prices should also help relieve the existing surplus. From available information it appears that consumption has actually increased slightly more than 4 million pounds per month over 1923. This is encouraging. At this rate it appears that our usual per capita consumption of 17 pounds will be exceeded. However, butter markets do need to steer a steady course the next few months in order to avoid unwarranted price changes.

Cheese production has followed about the same stride compared with last year as was mentioned last month. There is not the same concern regarding the cheese markets, however, for while storage stocks on September 1, were heavier than last year by 14,742,000 pounds, all types included, this surplus amounted to only about 18 per cent, while the butter surplus was 52 per cent. Furthermore, the feeling is prevalent among the cheese trade that this surplus, practically all of which is American cheese, may be largely stock which will be used for grinding purposes by dealers who have established wide outlets for new types of loaf and sandwich cheese. If so, such stocks will not likely again enter original channels, and the actual surplus will be accordingly cut down.

The outlook in the condensed and evaporated milk market has brightened somewhat, September 1 stocks in manufacturers hands indicate a reduction of about 40,000,000 pounds during August, and while stocks on that date of 241,709,000 pounds were still burdensome, the feeling among the trade was more optimistic, for the season when natural decreases in production will occur is at hand and production is being further curtailed wherever manufacturers find this to be possible. Some condensery milk is even reported as having gone into butter despite the nervous condition of butter markets. In some individual cases there has not been much choice between the two outlets.

No export business of consequence in condensed milk is in sight, but there are occasional signs pointing to the possibility of an increased domestic consumption. Higher prices for fluid milk would probably bring about such a demand, and an organized effort to stimulate consumption has been made in some quarters.

Stocks of powdered milk September 1 were 14,316,884 pounds, as compared with 6,456,847 pounds September 1, 1923, an increase of 121 per cent.

A BIRDS-EYE VIEW THIS FALL

This is a big country. What a marvelous panorama, could one but get into an airplane and go high enough to view it all. The hill country of the East, studded with cities set in a pattern of dairying, hay, potatoes, fruit, and truck crops that goes with the urban East. The rolling South with its pine forests, its endless fields of cotton, its warm-country crops. The magnificent Corn Belt, flat, fertile - the Nation's agricultural heart. Farther west, the Wheat Belt - a two-thousand-mile strip of plains, irregularly carpeted now with pale stubble or the brown of newly planted land. Then the vast, sweeping ranges of the Rocky Mountain country with its great valleys into which whole empires might be dropped - itself an empire of grazing cattle and sheep. And beyond all the Pacific Coast, self-contained, diverse, boundless in its resources. No agricultural picture like this, the world over.

Go into the South this fall and you will be impressed with its prosperity. Last year went a long way to wipe out the pressing burden of indebtedness. Another cotton crop bringing one and a half billion dollars cash, plus a fairly good season with truck crops, potatoes, rice and small fruits will put the South into very comfortable position. General sentiment through the region is distinctly optimistic.

In the East, meaning essentially the dairy and diversified region, things are not materially different from last year. Dairy men are beginning to feel the pressure from higher prices of grain feeds. Milk prices have stayed at rather discouraging levels; butter, however, has held pretty well to a price level which maintains production. Through the market milk sections there are apparently fewer heifer calves than a year ago, indicating a probable tendency toward somewhat lighter production. The East is in good shape as to feed crops, that is hay, silage corn, and oats; and it is doing fully as well as last year with the leading money crops such as potatoes apples, etc. Altogether, the East is going into winter on about the same basis as the last two years. The prevailing frame of mind among farmers is rather static. Men find little to be enthusiastic about.

In the Corn Belt, farmers are in better spirits than for four years - not so much from any great increase in income as from a feeling that the stage is being set for better times. At last the hog situation is coming out from under its burden of overproduction, which in turn represented an effort to work off the corn surplus of 1920-21. Corn prices are up and the expectation is that hog prices are going to ride at higher levels during the coming year. The corn outlook is bad enough. Frosts have hit the North before this is written. A heavy percentage of corn will certainly be soft and one of the Corn Belt's real farm management problems this fall is how best to dispose of the soft corn. Notwithstanding the poor corn crop, the central States are obviously breathing easier than they have along back.

The Wheat Belt is in infinitely better shape than for three years. Yields are splendid, the crop of high quality, and prices improved just at

harvest time. Up in the Western spring wheat territory, where nobody has had a new pair of shoes since the winter of 1919-20, there is particular rejoicing. All through the wheat country growers have hustled grain to market and new money is circulating rapidly in the process of paying debts. Men are inclined once more to regard the wheat country as good property.

In the range country the situation is somewhat mixed, in that sheep men and growers of grain and many irrigated crops are in very fair shape while cattle men are just the reverse. Sheep are everywhere in favor and flocks increasing, except in certain local areas where drought has cut the feed. The cattle situation remains an enigma. It has been a four-year story of liquidation, which still continues. In spite of which - even of the continued selling off of breeding stock - there are a lot of cattle left in the range country. Old, long-headed operators are not lacking who believe that the industry has hit bottom and that this is the time to begin stocking up, and they are doing so to the tune of thousands of head. So far as this year's income goes, however, it may be tersely said that sheep have made money and cattle have lost money. The ranges are in good shape and winter feed abundant, generally speaking, everywhere east of the continental divide.

The Pacific Coast has been seriously hurt by drought and to a lesser degree by frosts and the foot-and-mouth disease. Feed is short and the live-stock situation is certainly no more favorable than last year. Grain yields did turn out better than were expected earlier in the season and of course the higher prices have cheered such growers. Many of the deciduous fruits have suffered in yield and quality from the drought. However, the coast, taken altogether, produces a tremendous diversity of things and it will never be without an income. It may not be wide of the mark to say that the coast country is in just fair condition this fall but, on the whole, does not seem in quite as good shape as one year ago.

If one is inclined to think in terms of five years or ten, say, there are several interesting things in view over the country.

For one thing there are more people. That is the most significant of all economic developments. We have 9 or 10 million more people in American towns than five years ago. The increased population is in the towns, not in the open country. It is directly evident in the numbers of people in city streets. It is further evident in the expanded residential fringe about the cities. East, West, North and South, the towns have mushroomed out into new suburban districts. A tremendous expansion in small homes especially - probably greater than will take place again in a generation. This latter a contrast, too, with the open country; the last five years have put no new buildings of any kind on the farms, least of all houses.

The next most outstanding development over the country is the automobile. The road horses of ten years ago - and for that matter a thousand years ago - have been replaced. We hardly appreciate yet how profoundly this shift has affected American farm life. Still less do we appreciate how it has contributed to efficiency in agricultural production. The time necessarily spent between farm and town has always been one of the biggest factors of overhead in agricultural production. The automobile has cut down this

item of overhead as effectively as the binder cut down the direct labor in grain harvest. No. thoughtful person can look over this country today without being impressed by the automobile's part in farming.

Coincident is the amazing program of road building. That, however, is a project in the making.

There is a little new farm machinery in the fields this fall; not much, but occasionally a new sulky plow or perhaps a harrow or a wagon or a binder, etc. Here and there one sees a new tractor. There is occasionally a new stretch of fencing to be seen also. All of which represents a start toward replenishment of the productive farm plant, a matter which begins to be urgent.

Apparently more land has been put back into sod, taking the country as a whole. Seemingly, also, there is quite a bit more leguminous sod; alfalfa and the clovers in particular. This in line with the more conservative policy thrust upon farmers by the deflation period. It is part of the slow upbuilding, once more, of reserves.

One noticeable trend among types of farming has been the drift of dairying into "marginal" territory of the West and South. Men who have been at their wits' end to make any income at all have turned to the dairy cow, and in many cases with some profit. Not all of them will stick to dairying now that cotton, wheat and various irrigated crops are selling at higher prices again. But it is probably true not only that the United States will ultimately support a much larger dairy industry than we now have, but that many areas in the West and South which have been following essentially exploitive systems of farming must slowly give these over in favor of the more conservative systems. In hard times the exploitive systems feel the pressure.

Almost everywhere farms are beginning to sell once more; a hopeful sign. Nothing but hardboiled adversity could make the farm real estate market so stagnant as it has been in the last three years. Among other things, there are enough city buyers of farm property to make that a noteworthy item. Farm values are low enough to attract city money, which in turn is evidence of the constant tendency of economic forces to balance things up.

There is apparently little movement away from the farms this fall compared with a year or two ago. This is a reflection both of the easier position of agriculture and of the tapered-off condition of urban industry.

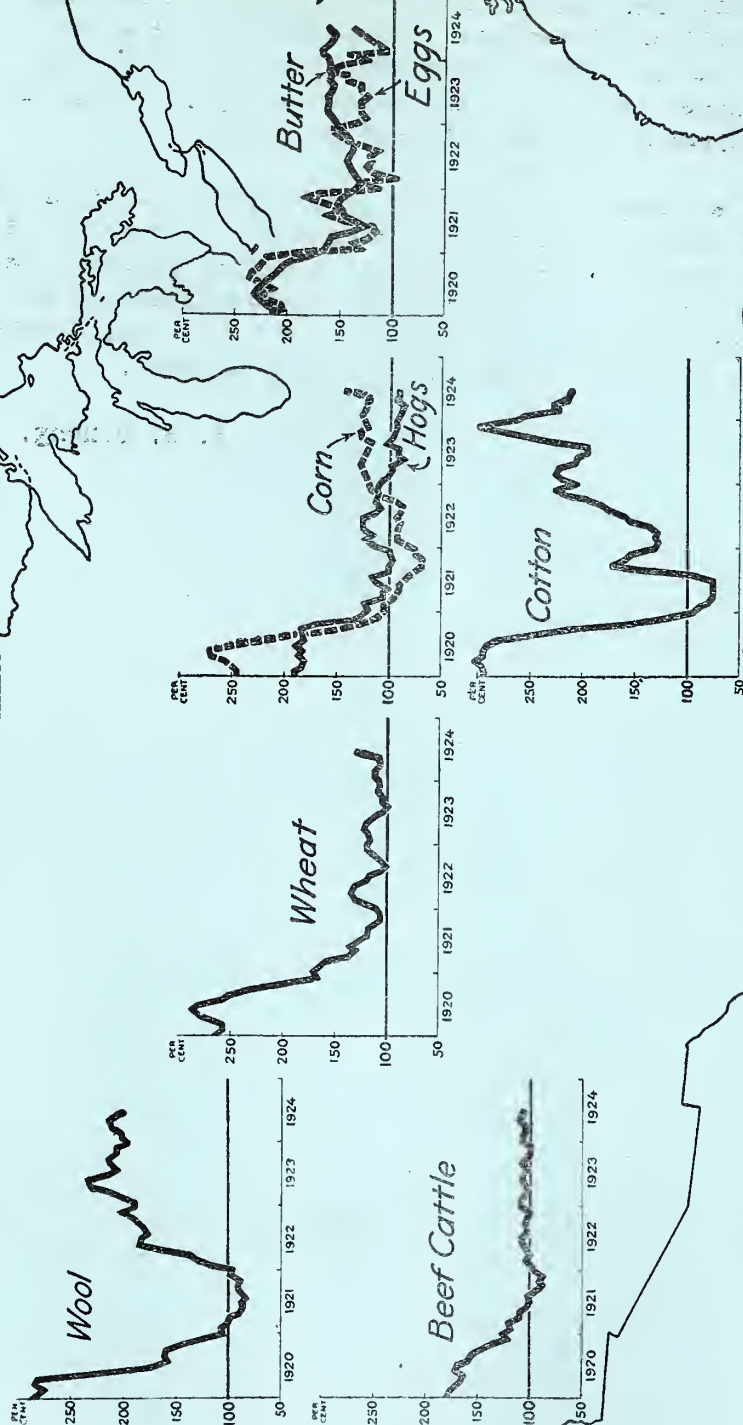
Indeed, it now seems as though agriculture is almost a few laps ahead of the urban community in respect to certain basic adjustments. The cities have this year experienced what was brought home to farmers more than a year ago; that it is possible to temporarily over-expand the producing plant and that liquid capital disappears in the process. Urban industry has had its boom; has flooded the country with such required goods as houses, automobiles, textiles and so on. Now consumers are mostly supplied and mostly in debt. The latter part of the business boom has been accompanied by a veritable orgy of "partial payment." Spot the nearest householder or automobile owner in town and you have a debtor.

But among farmers, the entire emphasis has shifted over to rigid economy. All over the country farmers are straining every nerve to get their financial obligations fixed up and swearing never again in this generation to contract a dollar of new debt. This sort of thing is noticeable this fall. It is part of the cycle from bad times and low price level back up to prosperity again. In the current picture, it is part of the levelling-up process between city and country.

It may be that for a considerable period agriculture will stand at some disparity with urban industry. But for the moment - this fall - it is swinging up toward par, and the readjustment is a mighty healthy one for the country. Not in five years has the United States presented so nearly a picture of balanced prosperity as it does now. The more deeply that fact sinks home to us all, the longer it is likely to last.

A. B. Genung.

THE AGRICULTURAL SITUATION REFLECTED IN THE TREND OF PRICES



Each curve shows the trend of the United States average farm price of a given product, expressed as a percentage of the base period 1910-1914 which is taken as 100.

This chart, brought up to August, comes close to telling the story of basic conditions in representative agricultural territory. It does not show the upturn in hog prices which has occurred in later weeks. But here are to be found the causes underlying the increase in numbers of sheep; the distress and long discouragement over beef cattle; the abrupt improvement in the wheat situation; the heavy liquidation of hogs; the comparative prosperity of the South; the drift of dairy cows into the West.